EXPORT FOOD AID CONFERENCE III
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SESSION C: FOOD AID THROUGH THE EYES OF A PVO

The following is an edited transcript of the April 10, 10:30 a.m. breakout session "Food Aid Through the Eyes of a PVO." The content has been edited for the sake of clarity and brevity.

MODERATOR: Steve Mikkelsen
PANEL MEMBERS: Bob Bell, CARE
Bob Cooke, ADRA
Joe Gerstle, CRS

STEVE MIKKELSEN:

I am with USDA Farm Service Agency, Director of Procurement and Donations Division. I have been in this position about seven months now and meeting a lot of you for the first time. Please come up and introduce yourselves. I am interested in getting to know everyone here. The rest of our panel is: Bob Cooke on my left, who is from ADRA; Joe Gerstle on my right from CRS; and, Bob Bell from CARE. We are going to go according to the program here, starting off with PVO training, plans and directions with Bob Cooke.

BOB COOKE:

I am not sure if I want to say I appreciate Joe Gerstle inviting me to participate in this, or hold him responsible. Either way, he asked me in South Africa at one of our Coalition Training Sessions to join him on this panel. I have discovered I have a lot more responsibility than I thought when I agreed. Hopefully, I can bring something to you that will be useful. I am hoping more that you all will bring something useful to me. ADRA has been in the food aid business for some time. I have been with ADRA about three years. I came in through the back door–I am an auditor by profession, and I spent about four years auditing ADRA. As a matter of fact, they gave me this little heart at the registration desk. I told them, "I'm an auditor and this the first heart I've had in several years." [Laughter] ADRA, I think, decided the only way to get rid of me was to hire me. Very early on, one of the things I felt a burden for was the fact there was very little in the way of organized training within ADRA, particularly with respect to the food aid programs. As a result, as we visited our regional offices, we would find a wide disparity in how they approached things; how they understood regulations and so forth.

We have a professional program that has been going for some time. We call it APLI–I asked Rudy what that stood for and he doesn't know, so it must be some kind of ADRA secret–but it is a Master's Degree program operated out of Andrews University in Michigan worldwide. We bring people in quarterly for an intensive session, and between sessions they do homework and so forth, leading to a very good basic professional cadre force. But it doesn't really address specifically the things that we are concerned about on a day-to-day basis regarding regulations. We have begun developing a program within ADRA to provide that type of training individually to regional offices. CRS has had the same type of thing developing

for some time, and Joe has been involved in that–specific one or two-week training programs within their area.

I know World Vision has a very organized approach to training. In the winter of '99, we got a call from Joe inviting us to get together with a group of five NGOs to discuss the possibility of coordinating our efforts. The ones that met together were ADRA, CARE, CRS, Save the Children and World Vision. Afri-Care was a part of that initial meeting, but realized that for most of the programs we would be having, they wouldn't have people available in the area to participate. This planning session in Ghana coming up will be the first one that they have been involved in. At that meeting we discussed what issues were most needed to have training in and how we could most effectively provide a uniform approach to that training. Out of that came a coalition training session that we have been conducting now for about a year. We have had sessions so far in Guatemala, Bangkok, Macedonia and South Africa. We are having another one in Ghana in about three weeks and then the final one for that series in Kenya this July. What those training sessions have been covering are very commodity specific the first two days, the handling and management of the commodity systems and some of the issues that you cover in these sessions. The last three days emphasize regulations with some financial compliance respects discussed, but primarily the regs.

The results of those training sessions have been very positive from ADRA's point of view and from the feedback I've gotten from some of the others from theirs as well. We have been able to provide, at very low cost, some very intensive training to our regional offices for the people that have no other access to this type of training material. We have been able to enhance our operating systems within those regional offices. One of the bigger benefits we have received out of this has been the coordination between these five NGO partners and the discovery that there's not as much difference between us as we thought. The way we view things, because of our common goals and our common backgrounds, seems to be fairly consistent, even though they may have been developed in a vacuum. As a result, it has given each of us a little more confidence in our programs that were really mainstream. We are not out there doing things alone.

The question of what the future holds for this type of training is one that is very high in our minds now. In the last couple sessions, we've had discussions about this because Kenya's is the last on this cycle. When we start a new cycle, we have to decide if we will continue the pattern which hits the high points of everything, or if we want to concentrate more on specific issues.

The feeling has been we want to concentrate more on the commodity issues and provide much deeper training in those areas and so that discussion will go on. One of the benefits is that it has been a very small group. We have 30 - 40 participants in each session. As a result, there has been very close involvement of all the participants. We've been able to get feedback from all of the members of the training sessions. That's been possible only because each of us have restricted ourselves to six or seven participants from each of our groups. There is some uncertainty if that size were to grow whether we would be able to continue having the benefits

that we have been receiving from this. So the future for these training sessions is very much an open question

The second point is while we have benefited as five NGOs, there are about 80 NGOs represented that are not getting that kind of training. So the question is: How can you implement something similar to this on a more universal scale so others receive the benefits of these types of things, and how can we get the benefit of the experiences others have had? I don't have any solutions. That is one question that could bear some discussion.

Another area that we have had of benefit in this has been the participation of USDA. I want to acknowledge here the great help they have been in each session, particularly in the first couple of days. Steve Searcy has been to several and Gene Belcher was instrumental in Guatemala and Bangkok. We appreciated greatly the help they have given, particularly the insights about USDA. It would be very useful if there were forums where others could participate in groups like this to give us more distinct insight into their side of the operations. It helps us become more attentive to what they need as well as what we need.

The results of our experiment have been very positive and there is an inclination on the part of our group to continue this. The future of this is going to be up to you. I would appreciate if any of you have suggestions that would contribute to a program such as this, be sure to contact Joe. [Laughter]

Actually Joe was the leading light in this. We all recognize he is the godfather of these training sessions, so he is a good channel if any of these things are in mind. Right now it is difficult to establish what an effective mechanism for doing this would be. But I think there is a definite need for us to increase our training opportunities within the PVO network and provide the very best in having people capable of understanding and running these programs in a uniform manner. Can we have a discussion?

STEVE MIKKELSEN:

Yes. Does anyone have questions for Bob? Please state your name and the company or organization you represent.

EVI BON:

My name is Evi Bon with CARE, based in Atlanta. I am the Deputy Food Reserve Coordinator. The two questions I have for both Bob and Joe is: Do you have any mechanism to develop some kind of training of the trainers, or the cadre of trainers to do this kind of training to replace you two who are facilitating this training in different places? That's one.

The second question is: Are you tying the program designers–who design the program and do some kind of advocacy to them to understand the complications of this commodity management or the resource management which helps–to those program people who eventually succeed in the program implementation? I do certainly see there is a link between commodity people and the program people, with all due respect! But, that is very important.

BOB COOKE:

I will cover the second question first and Joe can contribute to this. One of the benefits has been we have emphasized not just bringing in the people doing the day-to-day work, but also bringing in program managers, planning people–people involved in areas that don't usually touch in the same areas that we do. I know within ADRA we had a couple of people attend the one in Macedonia who discovered a lot of issues they weren't aware of that should be covered and weren't, and we have seen a definite improvement in that area of our operations because of that.

So on a limited scale, what we have done in that area has been beneficial. In our future planning, part of our intent for concentrating on commodity management is to enable us to cover some of these issues with people who need to have that training.

For the first question about training the trainers, this whole program has evolved over the past year. What we are presenting now has settled into an organized and well-managed event, which gets a lot of information out in a short period of time. At the very beginning, we were feeling our way, and we are only just now getting to the point of really knowing what we are doing to even think about the idea of training the trainers. I am not sure that the scope of what we had been planning in this next series would cover that.

I think, though, that is a good idea. As a matter of fact, that direction would be the most economically effective way of doing it, rather than trying to go around the world individually. If we could coordinate a training program for educating the educators as you put it, it would help unify our whole approach. What do you think, Joe?

JOE GERSTLE:

I agree a hundred percent with everything Bob has said. We developed the program in the very beginning to do exactly what you have said–to involve the program people as well as the food people–and build a foundation on which they could build and give all persons a clear idea of the activities that others are involved in.

On the training the trainers, we did conduct a training program a couple of years ago to train local staff to carry out these programs, but this has not specifically been built into the training that we are working on now.

STEVE MIKKELSEN:

Part of this is the program that's been described. . . there were also meetings held at CRS with PVOs in, I think, November last year, and then there was a recent meeting in Kansas City with PVOs to talk about training.

One of the training agendas has been described here, but there was also discussion in November and I thought in March, about actual programs in country. The idea being that sometimes training–broader training–reaches only certain levels of people. The question becomes for staff in country–from warehouse people to people out in the field: What is available to them in terms of providing ongoing support? One of the ideas was looking for ways in country to develop as part of country offices' routines, ongoing sort of management

commodity training reviews. I am curious as to what the results of the March meeting were with respect to moving that piece of it forward.

JOE GERSTLE:

In February we discussed the possibility of mounting three distinct types of training programs. The first would be U.S. based for headquarters staff. The second would be to continue what we are doing now on a regional basis only restricted to commodity management for the next round. And our third type was the country-specific training for programs such as India, Ethiopia, where we have large staffs. We would have training programs for that country for all personnel working for the PVOs in that particular country. We have moved ahead on the first one, and I hope we can move ahead on the second one in the not too distant future.

BOB BELL:

One of the things talked about also was figuring out ways to work with industry. When there was a meeting here in USDA last fall with the surveyors, carriers and the variety of other people, the idea was to look for ways to involve for example, the surveyors, because they are very much involved in a lot of the same work we are doing. And the quality of surveys and agents varies around the world. The question is: How can we take advantage of not only something for us, but something for the surveyors as well to make the whole system more efficient and effective? Again, it is in its very infant stages.

STEVE MIKKELSEN:

Any more questions from the crowd?

MARA RUSSELL:

My name is Mara Russell and I am with Food Aid Management. I just want to answer your question regarding APLI. It stands for ADRA - Professional Leadership Institute.

BOB COOKE:

Thank you.

MARA RUSSELL:

At Food Aid Management, we don't do the kind of commodity training you are involved with. We work mostly on the monetization side. We have, in previous years–previous to '95–done a lot of commodity management training. I have been in discussion with Gary Brendall at ADRA who works with the APLI, about the possibility of developing courses specifically aimed at food aid management topics we have worked on. At the moment, our emphasis is mostly in monitoring and evaluation, and monetization and local capacity building more on the programmatic side. But it is something we have had some discussion on. I think perhaps we should talk more and see where the potential will go with that, just to clarify that for you.

BOB COOKE:

I appreciate that. As a former auditor, one of the things I have been concerned about in the training we have had here and in our talking about future plans is there seems to be a dearth

of training specifically on financial management. There is some in financial compliance, as it relates to the regs, but there is not a lot out there for financial management, for reporting, for budgeting, for those areas that really are important to the day-to-day success of a program. I've had a real burden for that. The question I have is: What is the logistical venue for doing something like this? We've got FAM we could work through for training; we've got the association PVOs, our individual programs, the coalition that's been developing, but all of this seems to be happening in a vacuum. Is there a method by which we could start to unify this and create something along the lines as in the accounting profession? The AICPA has a program of training available over the course of the year that pretty much covers any topic specific to accounting auditing. All it takes is for you to sign up. I think you would have to search to find programs specific to the needs that you have in the PVO community, and then you wouldn't always be successful. The question is: What is the most efficient way to develop this and who should be working on it? I don't have the answer.

GENE BELCHER:

Gene Belcher, USDA. Just a follow up to Bob's earlier discussion about the training. We have started the headquarters training sessions and we had a meeting in Kansas City last March with some of the larger PVOs. We are in the process of putting a questionnaire together with what we came up with in March, and in the next two weeks the 80-odd PVOs will be getting the questionnaire in the mail.

We have identified about three or four issues (maybe six) we think are going to be pertinent, and the tentative discussion was to have a follow-up session on the PVO premises in Washington: one day at SAVE, one day at Afri-Care and one day at World Vision. The time frame on that is after June 1st; sometime this summer. So you will be getting mail or e-mail messages from us, and we will let you know how that's going.

STEVE MIKKELSEN:

Any other questions from the audience on this topic?

JIM HERSHEY:

Jim Hershey with the American Soybean Association. I was invited to take part in a monetization workshop. In fact, Mara and I were in Peru in February. CRS put on a wonderful show, great job down there–a lot of PVOs. There was an opportunity for commodity groups to have an exchange, present some ideas there. I think one of the most valuable things in that process as an observer was the PVOs were working hard on improving how they are selling the monetized products, and I laud you for taking that on.

I would like to know if there was a way to be aware of other training and workshops, and if there is a schedule. Sometimes it is hard to program in advance travel plans, especially to faraway places like Africa or Southeast Asia. If there was a way where we were aware well ahead of time and if an invitation were offered, we would like to take part in the same way we did in Peru, at least be there as an observer and be able to network.

BOB COOKE:

You can contact me or my staff in Washington, D.C., or you can contact the Kansas City Commodity Office, particularly Gene Belcher's shop. You can always talk to the godfather–Joe Gerstle–who will probably have a pretty good handle on when these sessions are going to be up and coming. And you might want to speak with Gene. Maybe he can put you on the same e-mail list he's going to use.

MS. MARA RUSSELL:

Mara Russell with FAM. FAM has a training calendar on our web site. It would be nice if we had that information and a training calendar. The web site is on the link page you have at the back of your conference book. Our web site is listed and we have a training calendar. If you are interested in sending information on training to that calendar, lots of people visit our site each month and they are always looking for information about new training. We also now have a commodity management list server, so we can get the information out pretty regularly to people. If you go to our web site, you can find out about our list server and training calendar and please feel free to use them. That's what they're there for–to exchange that information–get it out to people.

STEVE MIKKELSEN:

Thank you. Any other concerns or questions on this topic area? If not, we will head into the next topic area, "Cargo Handling Efficiencies in Logistics, Transportation, Paper Flows and Quality Concerns" with Joe Gerstle at CRS.

JOE GERSTLE:

Before getting into the topic, I would like to make two statements. One, I would like to echo what Bob has said in expressing our appreciation to USDA for their involvement in the training program. They have been working with us since 1994, in conducting training programs. Their participation has been superb, I might even say in some cases, essential to the success of the program. So we do want to express our appreciation to George and Steve for making USDA persons available.

Secondly, Bob has mentioned–he did mention several times–that he was an auditor. I like one of Bob's stories. He asked if I knew the definition of an auditor. I said, "No, Bob, what is the definition of an auditor?" He said, "An auditor is a man who goes out on a battlefield after the war is over and stabs all the survivors." [Laughter] Adeeb, who's probably one of the experts in food aid, likes to talk about the food chain. Normally when he talks about it, he's talking about the components of a food program from the time it arrives in a foreign port until it is consumed by the recipients.

I would like to talk for a few minutes about another food chain, the food chain in the USA. Each of us are a link in that chain. The PVO, the first link, will develop the program and request the commodities from USDA, the second link. USDA will purchase the commodity from a supplier and arrange to have it delivered to a port, the third link–the suppliers. The fourth link would be the U.S. port of export, and the fifth link is the shipping company. I think each of these links are strong, but the chain is only as strong as the weakest link, and I think the weakest link in our chain is not any that I mentioned, but the one link in which we are all

involved. That link is when the commodities arrive in a U.S. port until they are loaded aboard a vessel and the vessel sails. The supplier is involved. They send the commodity. If there is a port involved, they are storing the commodities and managing the commodity. The shipping company is involved, because they are collecting the commodities. USDA is involved, because they have the responsibility of maintaining the wholesomeness of the commodity while it is in a U.S. port.

The PVO is involved, because we have title to the commodity, and in my opinion, that is the weakest link in our chain. I don't want to bore you with figures, but we did a little study of what is termed “vessel losses” over a period of years. I don't like the term “vessel losses” because I don't think they are all *vessel losses*. I like to say that during a period of time from 1993 to the end of fiscal year 2000, CRS alone was deprived of the use of 648,000 units of food. A unit is either a bag or a carton. What do I mean we were “deprived of the use”? If you take the quantity that was to be delivered to the port by the supplier and take the quantity that we actually received in the foreign port, it was 648,000 fewer than was supposedly sent to the U.S. port.

Out of this amount approximately 50 percent, or over 300,000 units, were listed as short landed. They just weren't there in the foreign port. What happened to them? They are someplace. In late 1993 early '94, USDA implemented a program called Vessel Loading Observation. The purpose was to monitor the loading of the vessels and to assure that no torn bags were put aboard the vessel. Since this time, our losses due to spillage or short weighed bags has decreased. However, our losses for short landed or unfit commodities have not.

During the periods we are discussing−from 1993 to 1997−we were deprived of the use of 1.73 percent of the food we were programmed to receive. I am happy to say that in the year 2000 this figure has gone down to 1.45 percent. It is still too high, but it certainly is an improvement over what it was in the earlier years. What is happening to this food? We did a study a couple years ago−USDA was involved in it−where we followed a ship from the time it arrived in the U.S. port until it was off-loaded in a foreign port. The first thing that surprised me was the quantity received from the supplier. It was not what it was supposed to be. I called up the supplier and said, “We did this survey and the quantity received was not what you were supposed to send.” And immediately he said, "No, no, we always count. We sent you the right amount. We didn't short change you." I said, "No, you didn't short change us. You sent us an additional three tons. If you can send us three tons in addition, you can also send us a shortage of three tons.” I think the first problem we are having is inaccurate count of rail cars when they are shipped out of the factory and arrive in the port. We have documented this in a number of cases. It is surprising that over these years−from 1993 to 2000−in most cases the amount of food that we were supposed to receive was the exact amount of food listed on the ocean bill of lading. This means we were losing nothing from the time the commodity left the supplier until it was loaded aboard vessel. We all realize there's bound to be loss along the way.

Another area we have to take a close look at is the accuracy of the ocean bills of lading. I mentioned the VLO that's been in force since 1993-94, we have documented cases where the port received "X" number of units, 10,000 units. We documented that the federal grain inspector, or now the surveyors, did not allow 500 bags to be loaded aboard the vessel because

they were damaged. The documentation was signed by the federal grain inspector, the stevedores, and the vessel. Yet, when the bill of lading was made out, it was for the full quantity that was supposed to have arrived in that port. The signed document by all three parties concerned meant nothing and it was not subtracted from the bill of lading.

Another area where we found some major problems was theft in the U.S. ports, and it shouldn't surprise any of us that it is there. It is every place. We know that. But again, it was not being recorded any place.

The final area was unfit commodities. During this same period of time, we had unfit units of about 40,000 because of infestation–the little critters we call "doo-doos"–rodent infestation or salt water damage, diesel fuel damage, or what have you. The amount of food we were deprived of would have been enough to supply a supplemental diet for 4.5 million people for one month–4.5 million children were deprived of one month of supplemental food because of what was lost before arrival of vessel in a foreign country. Recently USDA has taken some steps to reduce this. They have beefed up the vessel loading observation. They now have a contract with a survey company who is fulfilling the task the federal grain inspectors handled earlier, and we have high hopes these losses will be reduced. Several years ago, USDA approved a new paper bag to be used for commodity shipment. From 1999 end of fiscal year to end of fiscal year 2000, the number of spilled units has been reduced. I think part of this can be attributed to the improved paper bag being used by the USDA and the improved method being used to observe loading of the vessel.

At a recent meeting in Baltimore, USDA agreed to head a group of PVOs and other government officials who would take a fresh look at U.S. port conditions and determine ways of improving the system to reduce losses occurring there. We have high hopes that once this committee is set up and this study group organized, we will be able to take a good look at figures PVOs and USDA have and determine if there is any relationship between shipments out of given ports being carried by given carriers going to specific countries that may lead to some of these heavy losses that we are experiencing.

Included in these figures are some very, very large losses, which perhaps should be backed out because of conditions. . .circumstances, and it would reduce somewhat the percentage. Still, a loss of one and a half percent is unacceptable.

One way to reduce losses is to invite the suppliers, port authorities, and shipping companies to join us in some of our training programs abroad and visit the programs to see the conditions under which the people labor–to see the real starvation that exists in some of these countries. Maybe it would make all of us a little more vigilant in reducing losses to a minimum.

I like to tell the story of something that happened to me in 1980. I was visiting Ettapur right after the Indonesian government took over. We went to this little village to assess the food needs. A mother grabbed me by the arm and pulled me over toward her hut. I went reluctantly. She took me into her hut and it was rather dark. It took a little while to adjust my eyes. Then I saw in the corner what looked like a pile of rags. She led me over to that corner

and pulled a rag from the floor and revealed a small girl about 13 years old in the advanced stage of starvation. My first thought was, “Is it human?” It was the most sickening sight I have ever seen. Perhaps if more of us were exposed to this we would make the extra effort required to reduce losses and make more commodities available for distribution. I think some major steps have been taken and are being taken to reduce it, but we have to go a little bit further. If anyone has any questions or comments, I will be glad to entertain them.

JOHN ORZECHOWSKI:

My name is John Orzechowski, John O to my friends. My enemies call me all kinds of different names. [Laughter] I have a comment first.

STEVE MIKKELSEN:

Who do you represent, please?

JOHN ORZECHOWSKI:

The Louie Dreyfus Corporation. We are a very large shipper of all types of commodities. I am involved mainly in grains. Our losses are much less than one and a half percent, but we do have losses. We have found that a great majority of our losses are at destination, not at U.S. ports, but our losses run well below half a percent. However, that may be the nature of the commodity we ship. We ship very little bagged; mostly in bulk. What I wanted to ask is about monetization. We have not been much involved in this area. We are just starting. Is there is any problem or objection to U.S. companies buying from PVOs in the destination country and reselling that to its usual customers? We feel that would eliminate the problem we have encountered.

I want to congratulate all the PVOs on the wonderful job they are doing in distributing the food. But monetization itself is a different story, because there you need to market something you don't normally distribute. That's why you are selling it. In this area, I feel we could contribute our expertise, especially in the places where we have either a distribution network or customers where we could sell it rather than have the PVO getting involved in trade. I would like comments from anyone on this. Thanks.

JOE GERSTLE:

I think the PVOs are experts at distributing food to the poor, but we are lousy at selling food. We don't have the persons who have the knowledge and experience in that field. We made a proposal to AID some time back that they allow us to monetize with someone like yourself, at a U.S. port under a binding contract that you will export it to Timbuktu, sell it in Timbuktu, and the commodity would be wholly used in Timbuktu.

If my recollection is correct, AID allowed us to do this on one shipment only and they have not approved it since. I don't know if USDA has been approached on this, but I would support that one hundred percent. You have the expertise we don't have. It would be to the mutual advantage of all parties–the U.S. Government, PVOs, yourself and the recipients who will gain from those monetized proceeds–so I support you one hundred percent.

STEVE MIKKELSEN:

If there's somebody here from AID or FAS, you may want to step forward…

MARK ROWSE - FAS:

There's a slight divergence of opinion within the PVO community on that, so we have to be mindful of that. I would only ask when you talk about a U.S. company or a foreign company purchasing commodities in a foreign country from a U.S. PVO compared to working through the normal marketing systems, it almost seems like you get the benefit of free shipping, if I can be fair about it. I mean, you are purchasing loaded in port, so you get rid of ocean shipping concerns and discharge cases at the foreign port. . .so you don't have to worry about all of that. I was wondering if you would include that in your purchase price?

JOE GERSTLE:

AID regulations are very clear on that. It must be included in the purchase price. If this were done, the company who purchased it would also have to comply with all the terms and conditions that AID lays out, food security issues. . .and the like.

BOB BELL:

I just want to reinforce what Mark just mentioned. Joe is right, there are a fair number of people within the PVO community who raise questions about our ability to monetize as PVOs. I also believe, as Jim Hershey mentioned earlier, the PVOs have worked quite hard over the last four-five years, in terms of figuring out how to better monetize in environments that often U.S. commercial suppliers aren't there. So what do we do? We have made lots of mistakes–there's no question about it. There is a diversity of viewpoints about that. There are a whole series of USDA and AID regulations that either work to our advantage or don't work to our advantage.

As Joe is also saying, everybody in this room would agree with respect to the positives of monetization. The real issue is sitting down collectively and thinking about how best to do this. As Jim mentioned, if there are PVOs doing training on monetization or trying to get information out, we need to figure out collectively how to do a better job working with the "Louie Dreyfuses" or someone else. We might do it ourselves in certain instances. It is very mixed in terms of what it is. It is complicated, you are absolutely right. For better or for worse, it is not going to go away with the PVOs. This whole mechanism is not going to go away for a variety of reasons. I might touch on that a little when I talk, too.

JOHN ORZECHOWSKI - DREYFUS:

I would like to mention that Joe went actually a step further on that experimental shipment where we would buy it−we would deliver all the way. What my question was pertaining to was simply: Shouldn't U.S. companies be encouraged to buy from the PVO in the destination country under existing system, because I understand that PVOs sell to all kinds of people. And some of these people PVOs have difficulties with as far as performance is concerned, because they are not necessarily reliable performers under the contract. Perhaps some encouragement, but I would at least hope no one would discourage U.S. companies to go to PVOs in a destination country and buy the goods and then distribute through the channels that they have. Of course, if we are not involved in a country−there are some countries in the world where we are still not involved−then we wouldn't be involved there. In the countries

where we have a good distribution system, it would be logical if we were the people to buy and distribute it rather than PVOs trying to distribute to sell by themselves, to very often amateurish companies who don't perform in accordance with what PVOs need.

JOE GERSTLE:

Present regulations allow you to do that if you have a company in the country in which we are selling the commodities.

DAN KEEFE:

I am Dan Keefe with CBI, and with all due respect to Dreyfus–considered the gentleman of the grain industry–I have been a big shipper of grain before in a lot of foreign countries. I can see the issues where a good trading company may do well to give a better price to a PVO than a local company who, as he pointed out, may not perform. At the same time, as far as these U.S. companies–Dreyfus, Cargill, etc.–are, in fact, also international companies that may have, in fact, competing products trying to sell into that country as well. On one side, you are trying to create an open market place where everybody can bid. On the other hand, you have the issue of displacement. So these are kind of conflicting questions. Sometimes, yes, it is good to bring in an international firm where they can give you a better price with better terms and performance. But also, how do you do that without having them perhaps bring in a commodity, say from Argentina, before you have gotten a chance to sell yours?

JOE GERSTLE:

Our physical losses on monetized shipments are extremely low, because most monetized shipments go bulk, and losses on bulk shipments are traditionally quite low.

EVI BON:

I just want to amplify and echo what Joe mentioned about losses, and remind all of us of the way we in the PVO operate in different countries. We have to operate based on the annual approved quarterly level. At the rate of such kind of losses, come to think about those people who are working closely with the community making some kind of agreement and some kind of commitment unable to provide 40,000 metric ton units of food not reaching that community. Can you imagine the consequence? It is not only feeding people, but also a matter of credibility which trickles back all the way to the suppliers. I think we all are responsible for not getting the food to the community with whom we work. That's one. Number two is that we should also remind ourselves once again that all these marine losses are internal losses. The shipping lines perhaps pays USDA, USDA pays the donor, but we don't get reimbursed. Therefore, if you look into the team that we have seen this morning that we will make a change or a difference one spoonful at a time. If we continue these kind of losses, it may not be a spoonful. That's the concern. We have to remind ourselves that USDA under Title II. . .we used to have five-percent reserve to offset these losses. That has also been taken away. So I would urge all persons, including myself, to work together to make that difference one full spoon at a time. Thank you.

JOE GERSTLE:

I don't think anyone wants losses. I don't think the shipping companies want losses, and if we file a claim against them, it costs you money. None of us want losses. If we could just

join forces and work together a little bit on this issue as partners, we could accomplish an awful lot. You mentioned foreign losses. We now follow the procedure, we survey three times: when it comes off the vessel, when it goes out of the port, and we tally it when it goes into our warehouses to reduce foreign port losses as much as possible.

HOPE FLOECK:

My name is Hope Floeck from Breedlove Dehydrated Foods. We are a humanitarian, non-profit dehydration plant. We are a non-profit supplier. I just want to share that it has been very beneficial for everyone involved for us to take excruciating means to make sure we don't have losses when we send food out. That means taking a look at quality control in your warehousing, packaging, and logistically how that works all the way through. It is well worth it to pay that much attention if you are a supplier. In our case, our food, because it is dehydrated, is in such a small quantity that if you have just a few pounds of spillage, you lose a great deal. One pound is equal to 25 servings of food, so any loss to us is unacceptable. I would just say that it is worth it to pay attention to it, and the benefits from it are not for us but for the people we are serving.

JOE GERSTLE:

Did you note that no one has talked about dollar value? For us, the dollar value of the commodity means nothing. It is the kilo of food that will feed someone that has meaning and value.

STEVE MIKKELSEN:

Any other questions, concerns? If not, we will go on to our third topic for the Breakout Session. This one's entitled, “Technical Developments and Suggestions” by Bob Bell from CARE. He has a **slide presentation** that he's going to make here with the help of the computer.

BOB BELL:

It has been really helpful for Bob and Joe to talk about the commodity management side, but what I want to do this morning is spend some time talking about the program and demand side. I will say some things similar to what Catherine Bertini talked about this morning. I think it is also useful to understand how PVOs working overseas with communities and other partners are looking at programming generally and where food aid fits in all of this. It has become complicated in today's world opposed to many years ago.

The purpose is to give a view of food aid “through the eyes of a PVO” to understand how we participate in the world's efforts to eliminate hunger for the 800 million people that were talked about this morning. I am going to provide a brief historical perspective of PVOs use of food aid, review some changing directions, especially since the '90s, and then I have a few questions at the end to pose to everybody here. It struck me when I was preparing yesterday, we are sort of the Truman years and in the Truman Room and I had to get a plug in for CARE and CARE packages, but obviously this is in 1945-46, when CARE began. The Marshall Plan laid the foundation for we as Americans to help alleviate hunger. Organizations like CARE, CRS and others were born during that time. The picture on the right [slide] is President Truman giving the head of CARE at that time a check for $1,500 for CARE

packages. Since the Truman years, the principles set out then in terms of providing food for people who are suffering and trying to meet their basic needs has continued.

As talked about this morning, the U.S. Government–certainly since the 1960s, especially with the enactment of PL 480–has just made available the PVOs, the World Food Program and others, just a tremendous resource for us to figure out ways to program. And then we PVOs obviously continue to focus our efforts where suffering exists. As we all know, U.S. agriculture, related industries, trucking port authorities, rail stevedores, ocean carriers, etc., all play central roles in making food available and getting it overseas. So, it obviously all continues.

Through the late '80s and '90s,–actually even earlier–while there were things like school feeding programs, there were health and nutrition programs. The emphasis during that period of time was primarily around the amount of food delivered, the number of rations delivered, and what were the losses. The important issues during that time were around the management of the food and getting as much food to people as possible. That was the emphasis. Looking at the '90s through today, that aspect of food aid continues. Delivering food aid and the need to manage and account for inventories remain critical with respect to the direct delivery of food to people as well as monetization. It may be a nuance of language, but I have worked for almost 15 years with CRS and CARE in the area of food aid and food aid use in programs, and quite honestly, what we are talking about is distribution mechanisms of food aid. Distribution mechanisms include the direct feeding of people and it can include monetization. It is a mechanism for delivering aid. But how we do it, what we do, how we manage it and account for it is incredibly critical. For us, as it is for your own companies, we are talking about getting food, whether it is monetization or whether it is through directly feeding people in a health program, in a food for work program, or in an education setting.

We are talking about getting food to the right place, to the right people, at the right time and the right commodity at the right amount and the right price. That all seems simple, but it's extraordinarily complex when you think about the environments that we work in as PVOs. Having talked about what is gone on up to the early '90s, at least from the perspective I am trying to present, PVO's focus has shifted from the delivery of food aid in the sense of direct delivery to meet people's needs to a broader context of improving food security. I will explain that in just a minute. You have heard that term used earlier today, and it will come up time and time again. In its simplest form, we will talk about food security, but in a sense what has happened during the '90s is looking at people's basic needs. It is that old Chinese adage about giving a person a fish or teaching him *how* to fish. With this idea of food security, it helps you begin to understand why this is happening. A definition of food security commonly used by PVOs and the US Government (and there are variations with other agencies like the U.N. and others): "All people at all times have both physical and economical access to sufficient food to meet their dietary needs for a productive and healthy life." There are a lot of things going on in that definition of food security, and it raises a variety of questions. What does it mean? How do you use it? Does it always mean direct delivery of food to people? Are there other areas? Are there issues that you need to look at? When looking at something called food security, we generally talk about three different areas, and we all as PVOs and partners that we work with may focus on one or all of those areas, or we may focus on one area and partner with others to

focus on other areas. There is the actual availability of food. In a region where we work in Ethiopia, even though it is very poor–and there are lots of people who are very, very poor–there may be food in that area, markets may have food in that area, or in another country. There may be food in an area but people don't have any access to it. They either don't have sufficient income, or they can't produce enough just to subsist. There are areas of so-called food access.

Then there are areas about food utilization, the actual consumption of the food itself, how we all eat that food, how we utilize it, and how it is absorbed within our own bodies. We are talking about the utilization of food. What is important actually [down at the bottom] is we are also talking about not just the food, but also water and sanitation. So these are three areas. Again the dilemma and the complexity for us as PVOs has become when we really try and address this issue of food security what do you focus on? How much do you focus on? What is the best way to do it? What is the best way to use the resource? So addressing food security–I 've got some follow-up slides that explain this a little more–requiring different ways of thinking and approaches. Just a simple example, even in poor communities in Ethiopia or other countries where you have food available in markets, but there are problems in access.

So what is the most appropriate way to use food aid as a resource? How do you do it? Is direct feeding the answer? Is bringing food into a community the answer? We will talk about short-term, long-term, but it has just become more complicated. The message is not as simple as it was years ago. It is also important to understand from CARE's perspective and I think from other PVOs, there are not food programs. It is not a food program. Food is a resource that goes into the program. It is a resource that goes into a program to support different program strategies and objectives. So there could be an education program, a health program, a nutrition program, economic development program. But there are different objectives even in emergency situations. Obviously, that's the most extreme and dramatic case for us and the kinds of examples that we all have experienced and have all seen in terms of our work overseas, the horrors that Catherine Bertini described this morning are so real in terms of WFP's work and our work.

The food is the resource to save people's lives so it becomes a health/nutrition objective. Obviously saving lives is the critical piece, but it is a health/nutrition objective even in terms of how this resource is being programmed. It is genuinely one of the reasons why you have seen more monetization with PVOs over the past few years. If you accept the premise that food is a resource and you are looking at different mechanisms to use that resource, you could take that food, sell it overseas, and use the money to get at some of the broader food security issues that we also face.

We could talk all day and tomorrow–and the debate is very genuine and very real–about monetization. Seems like a particularly convoluted way if all you really want is money, or a way to get money. Why can't you just get more money? One of the difficulties is there isn't any more money. There's not an inclination to make more money available. So at this point in time with the resource that exists, we still have to figure out creative ways to use the resource. There are significant issues of how we monetize, the best way we monetize, etc. We need to figure out how to use food aid in the most flexible way possible, because that's the resource available to us. There are longer-term benefits to suppliers and the U.S. as well. Catherine

Bertini talked about political advantages, and there are supply issues or U.S. market issues that are important for monetization as well.

It is the reason that–when you move to the broader concept of food security–you just have to think about different ways of programming. If you are talking about the health worker visiting the home, if you are talking about that woman up in the market, if you are talking about the person down here–I think that's in the outskirts of Lima, Peru–bringing water to their little shanties. A question is, when you are addressing the issues of food security, is the emphasis on the direct delivery of food? Is the emphasis on other food security issues and aspects, and do you need to look at different ways to use the resources? It is not easy and it is very difficult to make choices. But that's the world we are facing in terms of who the customers are. Remember, our customers are primarily these people. Obviously, we have to be responsive to the donors, the agriculture communities, everybody who is supporting this. But the people we are dealing with on the ground every day are these people, and we have got to be responsive to what they are saying are their needs.

One of the things that we have also come to understand is to focus on the household. And what we are trying to identify here is what are our basic needs? Obviously, food is a basic need for health, nutrition, income, and education. These are no different than what we have to face every day. Obviously, our resource base is so different and the services available to us are so different. We face the same kinds of issues at different levels and in different ways every day. The emphasis has been more on addressing the issues around food security and related nutrition and to a certain extent, health. But we have also come to realize that you can't always look at one need in isolation of other needs. This is in the sense of trying to figure out how do you program that? What is the best way to program? What do you focus on? How, for example, do you look at even a food issue if you are addressing food security, but there are significant problems of people not having income. How do you make choices? Do you put your emphasis on income, understanding about income? Do you understand the household, so that you come to realize why households are not providing meals during the day because they are saving their assets? In other words, if children aren't being fed during the day but they are using their assets, are they using that savings to do something else, maybe to pay school fees? That's where something like a school feeding program could fill that gap. We as PVOs would agree, but we would also argue that it is not quite as simple as doing it that way.

Here is the way we program and how we program has just changed dramatically. The emphasis that we have had over the years has been around meeting people's basic needs. What are the best water systems we could put in? What mother-child nutrition programs can we develop that focus on realizing or improving people's basic needs so they get enough food for five or six months, for a year?

We are not sure, though, that focusing on needs themselves is going to allow us to get at the underlying cause of hunger, which is poverty. It is something that's been shown time and time again that hunger is the symptom of poverty. Say they are hungry, but why are they hungry? What is behind being hungry? Are they are not getting enough food? But why aren't they getting enough food? Delivering food aid, whether it is through a direct delivery or through monetization, is going to be critical. If PVOs are going to have a real impact in

people's lives it means working collectively with governments, the private sector and what we call civil society. The public community and the broader community to focus on the alleviation of poverty, and not just its symptom of hunger. This [slide] has a lot in it, but let me explain what is going on here. In terms of trying to look at poverty, in the middle you have a household. That household has basic needs, and those basic needs are food, water, health, shelter, and education. For example, that household, to improve its situation, has to gain access to a variety of different resources, and there's a whole cycle they have to go through to get access.

How do we get access to resources? We need resources. You and I, we have savings accounts, we have food in our cupboards; we are able to go to doctors. There are health-care systems available to us. We have some assets we can pay and we have their services available. People have certain kinds of assets so when outside pressures and shocks come on us or come on those communities, they can absorb some of those shocks.

One of the difficulties that we are finding when looking at poverty and trying to understand hunger is how do poor households control resources? How do they get access to resources? What are the barriers to resources? And that's not just about meeting people's basic needs. But what are the legal frameworks in countries? What are the economic frameworks in countries? What are the social political frameworks in countries that disadvantage one person or one group or one community over another group? I am only talking about this in the sense of trying to understand that this world has gotten more complex, and as we are trying to get at, allowing people to be food secure, we are seeing the complexity of the issues we have to deal with. We have to understand these more and then try and figure out what to do, and I won't pretend that we have the answers. It is just becoming clear to us that we have to think more like this. Some of you have seen a slide something like this. Initially the focus has really been on the center and that outer box, which is the natural resources, or the box around it, financial resources, assets, et cetera, trying to address how do you build better water systems? How do you develop better mother-child education programs, or mother-child health programs, better school programs? We have come to understand that, just to reinforce that other slide, we were talking about the legal barriers. So there are, for example, in Mozambique. CARE has a program in the northern part of Mozambique working with a lot of small farmers and developing farmer associations. It has been supported by Title II resources and it has been primarily monetization. There has been a reasonably successful monetization program in Mozambique. In the farmer associations, the program is tied to, working with farmers in terms of improving production, improving yields, and developing newer crops. They are developing sunflower seed, sesame seed. They have developed oil. They are marketing that oil. One of difficulties in Mozambique is there are real issues around how those farmer associations can be formed. Legally there are real impediments to those associations being formed.

How do you address those kinds of issues, whereas, in the past that's not an area that we necessarily spent as much time with? Again the emphasis has primarily been on just looking at improving yields, improving outcomes in terms of increasing production. But it is the environment that people are working in that allows them to do even more than they can. Is CARE's approach–again, talking specifically of what we are trying to do–something that can be achieved overnight? No. Is this a direction CARE will take? The organization is

committed to looking at programming in this broader way and trying to figure out what is the best way to use the resource. I want to make the point that in this complexity, CARE certainly is not saying that it wants to program less, in terms of food aid as a resource. What CARE is saying is that the complexity of figuring out how to program this has changed and how do we best do it.

Can CARE and other PVOs alleviate poverty on their own? Obviously, not at all but we feel collectively with the private sector and with governments, there are a tremendous number of studies and the language of development, and even with emergencies. You are seeing more and more that we can move toward eliminating poverty in ways that we haven't. We haven't really talked about it here, but even highlight the ideas of what new technologies can do, even with the poor. If some of you have read the book by Thomas Freedman, "The Lexus in the Olive Tree," about the end of the Cold War and his view of what has replaced that in terms of a new world philosophy, or a new world order; he talks about globalization. He talks about super powers, super markets, where money moves, financial flows move with light speed around the world. Changes in countries can happen overnight in terms of people moving in and out of countries. He talks about the super-empowered, those who are connected. Think about what happened in Seattle with the World Trade Organization talks. A lot of that was done, banning land mines. A lot of that was done over the Internet. It was not like a central organization that did that.

One of the issues for PVOs is, how do you deal with that connectivity when you are talking about the poor in the world? Obviously, there are a lot of places where that's not happening at all. Can it happen in the foreseeable future? I am not sure. There are technologies now with farmers in small communities who have access to the Internet who can understand what the world markets are, or understand what markets are in their countries, where in the past they have never understood that at all, and so even that has changed. What this means for CARE, continues as an important resource. We have to ask many more questions about intended and unintended consequences of using aid. I am going to talk about this just for a second. Addressing poverty means peeling away a lot of different layers and get at core understandings of what is going on and then how do you best approach things. There's a lot of time and emphasis today on with PVOs and their work in terms of the process. So working through relationships with communities, working through relationships with private donors, working through with the private sector, working through relationships with partners, other partners in communities. Everyone has got competing agendas and interests or positions.

How do you find common ground among competing positions? What are the common interests? A lot of time for programming is spent around these areas, and it is not always on how many wells were drilled, how much food went to the people in a mother-child feeding program. I am not dismissing the importance of that, but understanding what happens in terms of that program. How is that program going to continue? How is it going to sustain itself? What is the environment you have to keep that thing going? That gets back to intended and unintended consequences. We can show today often that there have been improvements in people's lives based on how we used the resource whether it is direct distribution or whether through monetization. We can show when there has been an improvement in food security,

you potentially can see some spillovers into education. And you see more because children are not as hungry. For example, you can see more education and more improvements in health.

We are also coming to realize as we continue to use the resource that there are also some unintended consequences. Catherine Bertini talked about the numbers of workers in WFP that have been killed. Since the late 80s, there have been more than a hundred people killed in CARE, in terms of the work we are doing, because the unintended consequences of using the resource has changed dramatically the community. I keep making these points again to explain and help you understand when we are trying to put these programs together, the complexity of trying to do it. Believe me, we don't know the answers. There are a lot of things that we have done, and I think all of us have done, but the complexity of trying to get at some of these issues is just extraordinary.

Last, I just want to emphasize the point that was brought up this morning by Catherine Bertini. This was actually a picture in Angola. You have got two kids against a bullet torn building. That's an AK 47 picture on the wall. This is what we are looking at today in terms of how we work. You have many leaders focusing on self-gain, battlegrounds are civilian spaces, civilians are targets, atrocities and terror are the norm. I have heard stories in places like Chechnya; AID workers are worth a million bucks as hostages. Child soldiers are common. Wars are increasing within, as opposed to between states, perpetuated by thugs, profiteers, etc. There is enough history to show now, even AID workers ourselves have contributed to perpetuating a war. What does that mean in terms of how you program the resource? It just is more complex. Finally, I hope this presentation helps a little bit. Obviously I have covered a whole lot in a short period of time, but I hope it helps you to understand a little bit of what we are trying to do overseas. The real issues that have come up in different comments this morning is we really do have to figure out how we can better work together on some of these things. What are our short-term interests and what are our long-term interests? On the Ag side and the supplier side, there are very significant short-term interests in how much commodity is used, because it affects production, and many things related to people's own factories and production of commodity. That is a significant issue. How do we also deal with long-term interests? What are things going on in the world where we collectively can do things? I know American Soybean Association, North American Millers Association are having conversations with many of us, or we are collectively having conversations. Some common interests that we have that can advance, the suppliers' interests and can advance our interests in trying to support the people, the poor of the world. There is a major market out there just in those terms alone, and being poor isn't going to help develop markets. And I think that's it. And again, it has taken a little time but. [Applause]. Are there any questions?.

ROSS COGGINS:

Bob, that was just a tremendous presentation–Ross Coggins, Catholic Relief–and it led me to ask whether or not we ought to be considering some way to make tangible the commonalties that we feel here between the PVOs, the commodity groups. We already have that with USDA and AID, and the World Food Program, but there are some things that we ought to be looking at quite apart from the government agencies. I wish some of you could have been with me last week. I am just back from a trip to India where, out beyond Lucknow, I saw what some of the commodities either shipped by you or produced by some of your people,

were used for a massive water reclamation project. I won't even go into detail about how it is stopping flooding and preserving water. It is the sort of thing that makes me feel that as we get together here, we need to be considering how we can have a common voice in America to raise awareness of the need for the very things that you have just described here.

With the Farm Bill coming up, with Global Food for Education being considered for a permanent phase at possibly $700 million a year, followed by a billion dollars a year, which may not be, of course, a likely result, given the economies that are being discussed now. The fact that 416 is under review and after being a federal bureaucrat for 30 years, I can't remember anything ever being under review resulting in more rather than less. So it just seems to me that we have synergists when we get together here that we might do some specific things. For instance, as we come in these months ahead and decisions are being made about these resources. For example, as a part of the trip to India, we had the big project review, what we call "Adapt," looking at a five-year grant for AID to do Catholic Relief Services work for the next five years. Everything had a green light except there may be less money. That's our problem, but it is also your problem, if you really feel that what Bob is talking about here is your concern as well as it is ours, not only from the humanitarian side, but because it is good business. You teach a man to fish and you can sell him tartar sauce the rest of his life. It is good business and it is good religion.

I would like to think we could find some way, for instance, to run full-page ads in the major newspapers of the country, signed by the producer groups, shippers, and PVOs, saying we want Congress and the Executive Branch to hear the American people saying we just can't let all of these children starve to death around the world. There are people ready to do it. There are farmers ready to produce it. There has to be a way. We don't have the funds to do this sort of thing, but if everybody got together and contributed something, it would seem to me that short of having another organization, which we probably don't need. We have all got more meetings to go to than we have time for, but there might be some way and maybe in the hallways or over lunch some of you from the corporate world might give some thought to this and talk with people like Bob or Joe or me, or any of the rest of us here. See if we could devise some kind of a strategy to make sure that when the decisions are made about how much money is going to be given, we can help USDA and AID with their budgets, because we can make a case they can't make. The meeting we had last year and this meeting makes me think we ought to take the step to the next level and do some specific things. Maybe others would have better ideas than just newspaper ads. There are lobbies that need to be put forward. But I just hope we will consider some specificities rather than just considering the really marvelous truths that you have set out here. Excuse me for taking too long. [Applause]

BOB BELL:

After doing this now about 15 years, I think I have come to understand more and more the nature of our work is such that we are focused only on the individual tasks that we have to address. So the idea of trying to figure out how you take this another step and how you work collectively together becomes a daunting thought, not only a thought, but in reality how do you do it? So how do you? I suppose if there is a forum led by USDA or Food for Peace or whether it is just a forum between the commercial side and the PVOs, where a few people come together and prioritize three or four areas. That might be something that's useful. What I have

talked about this morning is so broad and complex, but I thought it was important that people had this kind of overview to help understand what we are going through every day trying to be responsive to the people we are primarily working with overseas through our country offices, and especially the counterparts they work with.

One last thing to underscore on this part is most people have to remember that organizations like CARE, Save the Children, CRS, ADRA, World Vision, Counterpart, Opportunities Industrialization Center, etc. are not directly doing the work. Others by and large, do the work that we are doing. That also takes on an entirely different dimension. We are not in control all the time. There are a whole series of systems and controls that we need in terms of performance and accountability. A lot of our partners are doing the actual work. So we don't always−as somebody in CARE said recently−drive the bus. We are sometimes just passengers on it.

THOR CEDERSTROM:

Thor Cederstrom, Save the Children. Bob, I want to thank you for your presentation. It was excellent. I also want to applaud CARE for always driving the conceptual framework, because the rest of us PVOs benefit from the analytical thinking that goes into looking at food security issues. I want to especially note the linkage that you have identified, the crucial linkage between food security and poverty, that this is the most critical linkage we need to address as organizations and as an industry as a whole, because it is poverty that drives hunger throughout the world. I want to ask Bob if CARE is looking at the issue of access to food as a fundamental human right? This is one thing Save the Children is looking at–overall children's rights−that children not only have a right to a future and that means they have the right to be well fed, and it is the government's responsibility to ensure that right. I would encourage the PVOs and also the wider industry to perhaps engage in some thinking about this in supporting the International Food Security Treaty, which currently 85 countries have endorsed. The United States has not endorsed that yet.. To me, that is a good fundamental first step that could be taken, that people have the right to have access to food.

BOB BELL:

Thor, also just understand what CARE has mapped out, over the next five years, a fundamental direction that the organization is looking at: what are the different rights of people? It is not only just the legal rights of people, but it is ethical. People should not be hungry. The United States, for example, has never signed on to that people in the world have a right to food. They are not signatories to that aspect of the principles of human rights, the human rights charter that was developed. What I was trying to point out, if they looked at the one slide that talked about unintended and intended consequences, there was a kind of a dotted line that went across as it talked about people living with dignity and to achieve that. How do you achieve people's rights? How do you allow people to achieve their rights? What is their participation in the political process? How do they get involved? How do they participate in making decisions, getting information, having information being available to them? I will just leave by saying one thing: There was a rather tense meeting that sometimes happens between Food for Peace, the suppliers and the PVOs over, quite honestly, choice of commodity for a commodity list. And a very good friend of mine, who is one of the commodity people, looked at me across the table and raised his hand, and said, "Bob, just remember, the people you

represent don't have a constituency." That said it all to me. The fact is the poor often don't have a constituency. What we are trying to do now is help them become players and constituents in all of this. Again, it is complicated. It is hard. How does food aid tie into it all? It is very complicated.

TILAHUN GIDAY:

Tilahun Giday from OIC International. I enjoyed all three presentations. The collaboration aspect was important to me. The need is so vast and if we try to segment only a few of the activities, we could never really attack the root cause of poverty and hunger. I believe the PVOs collaborating at the field level based on the niche and specialties that we have, could really have a much more fundamental impact than each one of us trying to do everything by ourselves. So while we are trying to have collaboration with all the other entities that we talked about at the PVO ground level, I think we could do more by addressing our niche specialties to have a better impact. Also, I would say a relationship, a collaboration, and a similarity in policies and direction by the USAID and USDA, would help us a great deal, because some of us are caught in between the problems that exist between the entities in terms of policy matters. Thank you.